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T.R.A. DOCKET ROOM

January 11, 2005

Honorable Pat Miller  
Chairman, Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

DOCKET NO.

05-00012

Re: *Application of Madison River Communications, LLC to Transfer  
Ownership and Control*

Dear Chairman Miller:

Please find enclosed for filing the original and thirteen copies of the Application of Madison River Communications, LLC to transfer ownership and control. A \$25.00 check is also appended to cover the cost of filing.

If you have any questions concerning this filing, please feel free to call me.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

April A. Ingram

AAI/djc  
Enclosure

cc: Mike Skrivan  
Matt Springer

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Petition for Authority to Transfer Ownership and Control    )  
of Madison River Communications, LLC                                ) Docket No. \_\_\_\_\_  
Pursuant to a Corporate Restructuring                                )

**PETITION FOR AUTHORITY TO TRANSFER OWNERSHIP AND CONTROL**

Madison River Communications, LLC ("TN-CLEC"), by its attorneys, hereby respectfully requests approval from the Tennessee Regulatory Authority ("Authority") to transfer its ownership and control pursuant to a corporate restructuring involving an Initial Public Offering.

TN-CLEC is currently certificated as a competitive local exchange carrier to provide local and interexchange services in Tennessee.<sup>1</sup> It is today owned and controlled by Madison River Capital, LLC, which in turn, is a wholly-owned subsidiary of Madison River Telephone Company, LLC, as shown in Fig. 1. Affiliates or funds of three widely-held investment firms presently hold most of the equity interest in Madison River Telephone Company, LLC. Currently, each investment firm appoints two board members, management appoints another two board members, and there are three independent board members (11 board members total), but all board approvals require the concurrence of two of the three investment firms rather than a simple majority of the board. Thus, under the current structure, control vests broadly among the shareholders.

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<sup>1</sup> See Docket No. 00-00381, Order granted August 7, 2000, for Certificate of Public Convenience and Necessity to Madison River Communications, LLC.

A new holding company named Madison River Communications Corp. is being formed through offering sale of shares to the public, and it will become the ultimate parent of TN-CLEC. The corporate restructuring will result in the organization depicted in Fig. 2. The post-IPO board will consist of no more than 11 members and the three investment firms will retain the right to appoint up to two board members each, depending on the actual ownership interest after the IPO. After the IPO, however, it is expected that new public equity shareholders, rather than the three investment firms, will have majority of control of Madison River Communications Corp. which will acquire the interests of Madison River Telephone Company, LLC. Thus, after the reorganization, control of the company will vest even more broadly since it will be among a larger base of shareholders.

The newly formed holding company Madison River Communications Corp. has filed its Form S-1 Registration Statement with the United States Securities and Exchange Commission on December 23, 2004. Subject to final SEC approval, the company plans to commence its IPO on or before February 28, 2005, and all necessary regulatory approvals must be obtained by that date. We are thus asking for expedited treatment of this Petition for Approval.

Throughout the restructuring process and after the consummation of the transactions described herein, TN-CLEC will continue to provide the same services at the same rates in an uninterrupted manner. The reorganization will be transparent to consumers. In support of this Petition, the parties provide the following information:

#### **I. THE PARTIES TO THE TRANSACTION**

Madison River Communications Corp. will be headquartered at:

103 South Fifth Street  
P.O. Box 430  
Mebane, NC 27302

## **II. DESIGNATED CONTACTS**

The designated contacts for questions concerning this Application are:

Michael T. Skrivan, Vice President – Revenues  
Madison River Communications, LLC  
103 South Fifth Street  
Post Office Box 430  
Mebane, NC 27302  
Telephone: (919) 563-8230  
Fax: (919) 563-4993

and

April A. Ingram, Esq.  
BOULT, CUMMINGS, CONNERS & BERRY, PLC  
1600 Division Street  
Roundabout Plaza, Suite 700  
P.O. Box 340025  
Nashville, Tennessee 37203  
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Fax (615) 252-6302

## **III. PUBLIC INTEREST ANALYSIS**

This transaction does not involve any transfer of authorizations or change in carriers providing service to customers or any change in the rates, terms or conditions of service. Thus, the transfer of control of TN-CLEC will be transparent to customers and will not have any adverse impact on them. The only change is in the indirect ownership of TN-CLEC.

WHEREFORE, Madison River Communications, LLC and its parent, Madison River Telephone Company, LLC respectfully request that the Authority approve the transfer of ownership and control of the company to Madison River Communications Corp. as described

herein, and grant such other and further relief as it deems necessary to carry out the transaction described above.

Respectfully submitted,



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April A. Ingram  
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Nashville, Tennessee 37203  
Telephone (615) 252-2302  
Fax (615) 252-6302

Attorney for Madison River  
Communications, LLC

Dated: January 11, 2005

### Pre-Transactions Ownership and Corporate Structure

The chart below illustrates our ownership and corporate structure prior to consummation of the transactions.

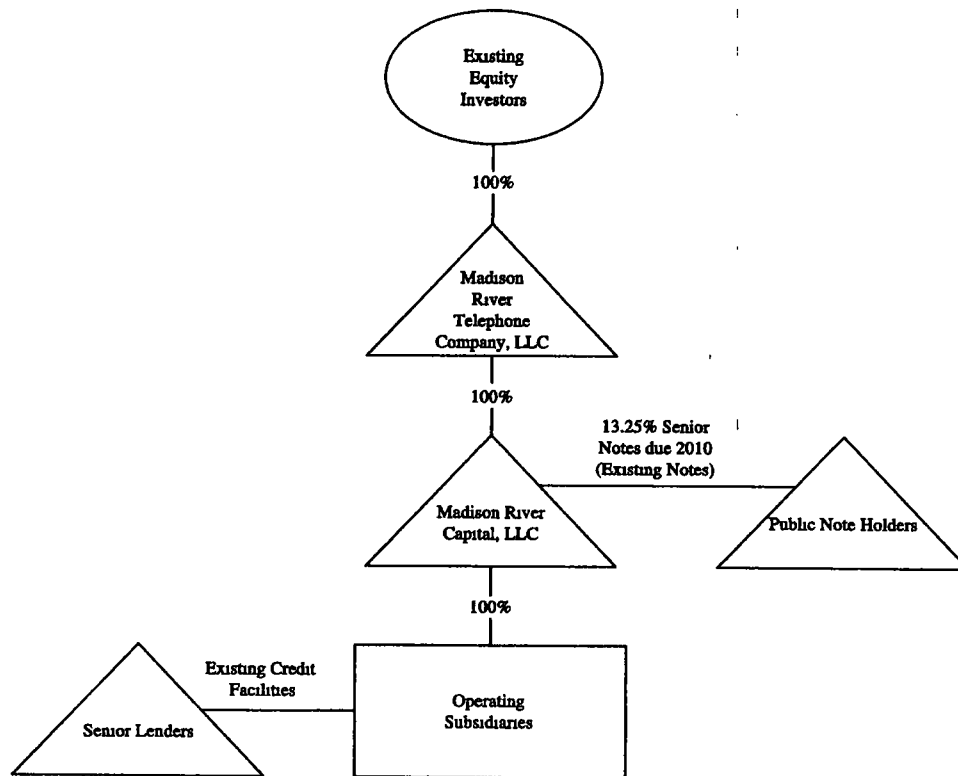
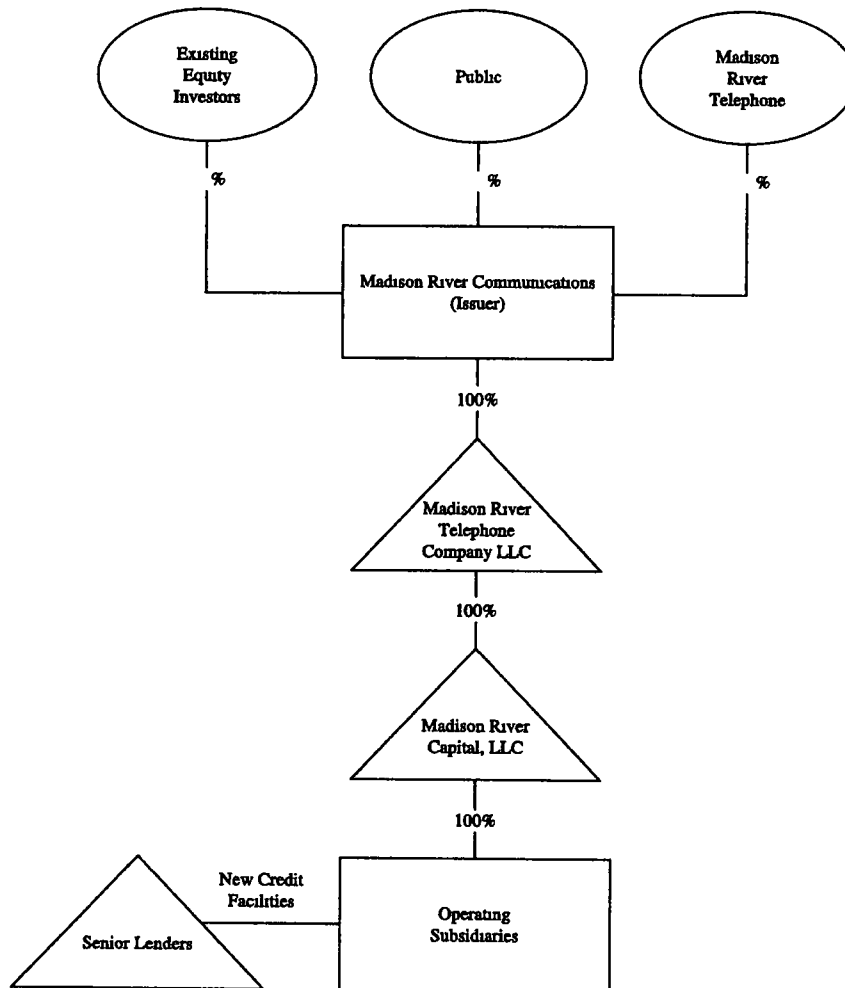


FIGURE 1

### Post-Transactions Ownership and Corporate Structure

The chart below illustrates our ownership and corporate structure following the transactions.



**FIGURE 2**